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Cost of War and Warfare

Brookline, Mass. 1905

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Cost of War and Warfare,

OVER-SEA EXPANSION AND IMPERIALISM,

EIGHT YEARS, TO JUNE 30, 1905, OVER

\$1531,000,000.

Fifth computation. Seven years and six months from official figures, last six months in 1905 based on expenditures in the first half of the fiscal year.

Excess of expenditures on Over-Sea Expansion and Imperialism in fiscal year ending June 30, 1905, above the normal rate established in twenty years preceding the Spanish War, over

\$231,000,000.

At the rate of \$7.30 per person, or \$36.50 per family or group of five persons.

Deducting the customary estimate of the cost of the Spanish War, the excess of expenditure for Over-Sea Expansion and Imperialism in eight years ending June 30, 1905, will have been over

\$1231,000,000.

*TRANSCRIBED FROM OFFICIAL FIGURES AND COMPUTED BY
PERIODS,*

BY

EDWARD ATKINSON, LL. D., Ph. D.,

BROOKLINE, MASSACHUSETTS, U. S. A.

JANUARY 7, 1905.

THE COST OF WAR AND WARFARE,

OVER-SEA EXPANSION AND IMPERIALISM,

IN THE FISCAL YEAR WHICH WILL END JUNE 30, 1905,

Over \$231,000,000.

Treasury estimate of population at that date by which the official per capita estimates will be made up

83,259,000.

Actual expenditures for six months ending December 31, 1904, with \$3,870,000 added for probable postal deficiency, computed from the published monthly statements.

Civil service, Indians, and postal deficiency	\$86,680,764
War	70,443,985
Navy	62,485,888
Pensions	72,338,665
Interest	11,950,698
	<hr/>
	\$304,000,000

If the expenditures of the six months, December 31 to June 30, 1905, are not lessened, the expenditures to June 30, 1905, will be \$608,000,000, at the rate, per capita, \$7.30, \$36.50 per family or group of five persons.

Before analyzing these figures, it is fit for me to state that in the last computation which I made proving that the expenditures for eight years of War and Warfare, Over-sea Expansion, and Imperialism to June 30, 1905, will have been over

\$1500,000,000,

I estimated the expenditures of the present fiscal year at \$550,000,000, an underestimate by more than ten per cent. in the present aspect of the case.

Attention may again be called to the fact that the expenditures of the present fiscal year, as above computed, on a gold basis will be equal to the average expenditure per year of eight years of the Civil War and the reconstruction, which were paid in depreciated paper money.

In the twenty years of Peace, Order, and Industry preceding the Spanish War, under the administrations of Presidents Hayes, Arthur, Cleveland, Harrison, and Cleveland, the average expenditures were \$5.00 per head, from \$4.43 in Cleveland's first term to \$5.36 in Harrison's term.

In this period the "New Navy" was constructed, manned, and at sea when the Spanish War began.

The fortifications of the coast were also begun. In this average there were non-recurrent expenditures for the refund of direct taxes and the like, outside customary appropriation, amounting to eight cents per head, these being deducted, making the true average cost of the Government, average per year

\$4.92 per head.

If this be accepted as a normal or true standard of the cost of government economically administered, the subsequent comparisons of the expenditures of the present fiscal year may give a true basis for a Congressional investigation, item by item, which cannot be made without access to the books of the several departments. Some exceptions have been taken to my use of the per capita method of comparison, without giving a detailed statement of the items of the present excess of expenditures. I have merely adopted the long-established method of the Government of comparing annual expenditures under the several heads by per capita compilations, after having vainly attempted to make an itemized account in terms of actual expenditures from the published accounts.

In the computations of the eight years, to June 30, 1905, the sum of \$50,000,000, paid on the Panama purchase, is not included, but is specifically deducted.

The comparison by periods is computed on the normal, regular, recurrent expenditures, omitting the non-recurrent special expenditures in each term.

The gross postal expenditures are not included, the postal deficiency only being included. The figures are from data lately published, subject to slight variation on the final accounting.

	Per capita expenditures 20 years before Spanish War to 1897 inclusive.	Computed expendi- tures fiscal year ending June 30, 1905.
Civil service, Indians, and postal deficiency	\$1.40	\$2.08 + \$0.08
War75	1.70 + .95
Navy, including cost of "New Navy"35	1.50 + 1.15
	\$2.50	\$5.28 + \$2.78
Pensions and interest	2.42	2.02 — .40
Total	\$4.92	\$7.30 + \$2.38

It will be observed that had the normal rate of the twenty years preceding the Spanish War of \$4.92 per capita been continued, the falling in of the Civil War Pensions and the reduction of Interest would have reduced it by over fifty cents per head to \$4.42. Even with the increase of interest and the addition of Spanish War Pensions it has been reduced forty cents per head. At present rates on pensions the regular cost of Government would now be less than \$4.50 per head. It is \$7.30 per head, an actual difference of \$2.78 per head on a population computed at

83,259,000.

On this basis the cost to the tax-payers of this country in the present fiscal year, ending June 30, 1905, will be over

\$231,000,000.

In my last guarded estimate I stated that it would be over two hundred million dollars.

Such is the penalty for the temporary aberration toward Over-sea Expansion and Imperialism in the effort to govern an alien people, to whom it is said to have been forbidden to listen to the reading of the Declaration of Independence on the last Fourth of July.

It now remains to compare the several items of the Cost of Government as they would have been at the normal rate established in the twenty years preceding the Spanish War with the computed expenditures of the present fiscal year.

Population, 83,259,000.

		Taxed at the Normal Rate of \$4.50 per head.		Taxed at the Present Rate of \$7.30 per head.		Excess of Taxation.	
Civil	.	\$1.40	\$116,562,600	\$2.08	\$173,561,528	\$0.68	\$56,998,928
Army	.	.75	62,444,250	1.70	140,887,970	.95	78,443,720
Navy	.	.35	29,140,650	1.50	124,971,776	1.15	95,831,126
		\$2.50	\$208,147,500	\$5.28	\$439,421,274	\$2.78	\$231,273,774
Pensions and interest, actual	.	2.02	168,578,726	2.02	168,578,726		
		\$4.52	\$376,726,226	\$7.30	\$608,000,000		

Excess of expenditures fiscal year ending June 30, 1905,

Over Two Hundred and Thirty-one Million Dollars.

It will be observed that during the twelve years of President Cleveland's (first term), Harrison and Cleveland's (second term), during which period the "New Navy" was constructed and put in commission and the coast fortifications extended, the average expenditures under the head of "Army and Navy" averaged seventy-two million dollars (\$72,000,000) per year. At the same rate per capita on the population of the present year the amount available would have been ninety-two million dollars (\$92,000,000). This sum would have been ample for all purposes of national defence in maintaining a larger Navy than we previously had and an adequate force in the Army: somewhat larger than in the former period.

At the present rate of expenditure on the Army and Navy in the year 1905 the amount will be not less than two hundred and sixty-five million dollars (\$265,000,000), probably more. On that basis the excess of expenditure in the present year above the normal rate, ample for defensive purposes, will be not less than one hundred and seventy-three million dollars (\$173,000,000). The tax payers are therefore paying more than two dollars (\$2) per head, or more than ten dollars (\$10) per family or group of five persons for the support of an Army nominally of sixty thousand (60,000) men, of whom it is reported by the military authorities that about ten per cent. desert every year, and for the construction and maintenance of battleships and armored cruisers which are not required for national defence and will probably ere long be useless for any purpose. During the present year the turbine engine, with propellers below the water line, will probably outclass any battleship now afloat in speed and efficiency.

The improved guns and shells of greater penetrating power now coming into use and proved by the Japanese, will render it impossible for any battleship to carry plates of sufficient thickness to resist them and remain afloat.

The excess under the title of Civil Service, Indians, and Postal Deficiency cannot be analyzed from any published accounts known to me. Only an expert accountant under Congressional direction can separate the items spent within our own continental domain from those spent on our over-sea expansion. The excess of expenditures on Army and Navy speak for themselves.

River and Harbor Improvements are kept for some unknown reason under the title of Army. The per capita expenditure in the last eight years varies but a fraction from the previous term. These expenditures on our own rivers and harbors have been much cut down this year and the last, making rather a false appearance of economy in the appropriations.

There have been some new expenditures on irrigation, forest reserves, and the like in recent years which were but as yet not sufficient to vary the computation in any measure; they are covered by sales of public lands and other "miscellaneous permanent receipts."

These facts and figures are given with as close an approximation as is possible at the middle of the fiscal year; they may be slightly changed as the expenditures of the second six months may be greater or less than those of the first half of the fiscal year, probably greater.

In dealing with this subject I have limited myself in this treatise to the economic aspect.

The evil and destructive influence of the warfare upon the people of the Philippine Islands has been proved by the official reports of officers of the Government and by the personal reports of trained observers.

The corrupting influence of the temporary aberration toward Imperialism in the United States has become so manifest that he who runs may read. At the present time, when one-half the voters or more wish we had never undertaken the task of governing an alien people by force, and the other half or less are seeking to find the way to withdraw without discredit: the Executive feeling the way by holding out vague hopes of independence to the people of the Philippine Islands, it may be safely assumed that the day is not distant when all will discover that they are capable of establishing their own institutions. The work of the Anti-imperialists may therefore soon be ended by the establishment of the principle for which they have contended.

Respectfully submitted,

EDWARD ATKINSON, LL. D., Ph. D.

BROOKLINE, MASS., U. S. A., January 7, 1905.

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